

PRESIDENT OBAMA DETAILS ADMINISTRATION EFFORTS TO SUPPORT TWO MILLION NEW JOBS BY PROMOTING MORE U.S. EXPORTS

In his State of the Union address, President Obama called for a new National Export Initiative (NEI) to double U.S. exports and support two million new jobs. Today, President Obama announced five steps the Administration is taking under the NEI to help U.S. firms expand sales of their goods and services abroad: creating a new Cabinet-level focus on U.S. exports, expanding export financing, prioritizing government advocacy on behalf of U.S. exporters, providing new resources to U.S. businesses seeking to export, and ensuring a level playing field for U.S. exporters in global markets.

A New, Focused High-Level Effort to Promote U.S. Exports

The President signed today an Executive Order instructing the federal government to enhance and coordinate Federal efforts to promote exports. The President ordered the following measures to ensure high-level coordination of U.S. export promotion activities:

- **Creating the Export Promotion Cabinet:** The President has created the Export Promotion Cabinet to ensure that export promotion is a top-level priority of all relevant cabinet agencies, and that export promotion activities are incorporated in a wide array of government programs, not just existing dedicated export promotion offices. The Export Promotion Cabinet will coordinate with the Trade Promotion Coordinating Committee, an existing staff-level interagency body that supports U.S. trade and export efforts, to execute a new National Export Strategy. The Export Promotion Cabinet will hold its first meeting in April, and will meet regularly thereafter. Members of the Cabinet include the Secretaries of State, Treasury and Commerce, senior White House advisors, and the heads of key U.S. economic and trade agencies.
- **Relaunching the President's Export Council (PEC):** The PEC has served as the principal private sector advisory committee on international trade. It advises the President of government policies and programs that affect U.S. trade performance; promotes export expansion; and provides a forum for discussing and resolving trade-related challenges among the business, industrial, agricultural, labor, and government sectors. Today, the President announced the relaunch of the PEC to be chaired by Jim McNerney, CEO of the Boeing Corporation, and Ursula Burns, CEO of the Xerox Corporation, who will serve as the vice-chair.

More Financial Support for U.S. Exporters

In fiscal year 2009, Export-Import Bank (Ex-Im) authorized \$21 billion in support of U.S. exports, 50% more than the previous year. Under the Obama Administration, Ex-Im has further increased its authorizations to \$10 billion in the first quarter of this fiscal year alone, three times the amount it did in the first quarter last year. Ex-Im projects that this pace of expansion will continue and ultimately double Ex-Im's trade finance capacity within five years. Additionally, as part of the National Export Initiative, Ex-Im is expanding its efforts to work with small business by creating a new facility to provide up to \$2 billion a year in trade finance to small and

medium-sized enterprises.

Major Government-wide Export Advocacy Effort

Today, Secretary Locke issued Government-wide advocacy instructions for all senior level officials who work with foreign counterparts in the U.S. and abroad. This instruction ensures that our export promotion efforts will be conducted by U.S. officials who regularly communicate with other governments. This guidance is also instrumental to help ensure that our officials abroad are proactively looking for new export opportunities for U.S. businesses in their daily work routines. As part of our new advocacy efforts, the U.S. government is also:

- **Sponsoring an Unprecedented Number of Trade Missions this Year:** U.S. trade missions bring senior U.S. officials and U.S. businesses in direct contact with export opportunities. Over 40 trade and reverse trade missions are scheduled in 2010 to promote U.S. goods, agriculture products and services.
- **Creating a New Market Exporter Initiative:** The Department of Commerce is launching a new public-private partnership that engages U.S. global shipping companies like FedEx, UPS and USPS as strategic partners to expand U.S. export opportunities. This effort will build on the knowledge and market reach of its private sector partners to focus on U.S. businesses that currently only export to one or two countries, and provide support to these businesses on how to proactively expand their customer bases to additional markets.
- **Launching an International Business Partnership Program:** The U.S. Trade and Development Agency (USTDA) is launching a new program to bring 250 – 300 senior procurement officials from over 20 countries to the U.S. this year to meet with U.S. businesses seeking to gain access to emerging economies.
- **Engaging our Ambassadors in a New Commercial Diplomacy Strategy:** Secretary Clinton has directed U.S. ambassadors to emphasize commercial diplomacy in their work. The State Department will also require: Embassies to create Senior Visitor Business Liaisons to manage country advocacy efforts; and launch a program that sends U.S. Ambassadors around the U.S. to discuss export opportunities in their countries of assignment.

Expanded Support and Resources for Potential U.S. Exporters

Many businesses want to export their products, but just don't have the knowledge, experience and resources required to identify and enter new markets. As part of the National Export Initiative, President Obama has proposed increasing funding for export promotion programs by \$134 million for FY2011. This funding will provide for the hiring of over 325 trade experts to provide advice to potential U.S. exporters, and expand agriculture export initiatives to provide producers with technical assistance for exporting specialty crops. The Administration is also working to streamline existing U.S. exporter resources by:

- **Creating One-Stop Export Promotion Shops:** Ex-Im, Small Business Administration (SBA), the Departments of Commerce and Agriculture, and USTDA will partner to provide potential exporters a comprehensive tool kit of services ranging from financing options to export counseling to market access intelligence through 109 Commerce Export Assistance Centers, 900 SBA Small Business Development Centers, 8 Ex-Im regional offices, 2,000 USDA Farm Service county offices, and more than 250 U.S. Embassies and Consulates abroad. This effort will support U.S. exporters in every state and 168 countries around the world.

Free and Fair Access to Markets around the World

- **Enforcing Trade Rights:** USTR Ambassador Ron Kirk will continue to vigorously enforce the rights of American businesses under our trade agreements. His efforts have included filing suit over Chinese export quotas and duties on raw materials that harmed core U.S. industrial sectors from steel and aluminum to chemicals. Over the past year, our trade enforcement efforts have led to resolving the long-standing American claim against policies that restricted exports of American beef to the EU, ending more than 70 different measures in China that gave illegal subsidies for exports and harmed U.S. companies, and working to end barriers to our poultry and meat exports during the H1N1 outbreak.
- **Opening New Markets:** Ambassador Kirk will continue to work towards an ambitious and balanced Doha agreement that creates meaningful new market access for U.S. exports and ensures fair access to agriculture, goods, and services markets for American businesses. USTR will pursue negotiations in the Trans-Pacific Partnership to develop a broad-based, high-standard 21st century trade agreement in the fastest growing region in the world. USTR will also work to resolve outstanding issues with Panama, Colombia and Korea with the objective of moving forward with the pending Free Trade Agreements at an appropriate time.
- **Laying the Groundwork for Strong, Sustainable and Balanced Growth:** Building on the historic results of the Pittsburgh Summit, Secretary Geithner will continue to work within the G-20 and other international fora to pursue policies that will lead to stronger and better balanced global growth, fostering increased trade and job expansion.

Export Control System Reform to Enhance National Security and the Competitiveness of Key U.S. Industries

Separately, the President announced the initial results of the Administration's export efforts to reform the U.S. export control system – the set of policies and procedures that have developed over the past 50 years to restrict the export of sensitive technologies for national security purposes. The Administration's reform program will enhance national security by focusing on the enforcement of strict controls around the export of the most critical technologies and products, while strengthening the competitiveness of key manufacturing industries in the U.S. by streamlining the regulations that apply to their exports. Secretary Gates will lay out the outline of these reform proposals in the coming weeks, and the President looks forward to continuing to

consult with Congress on this important reform effort. In the meantime, the President announced two specific steps that the Administration is prepared to take to reform the export control system:

- **Reducing the Delay of U.S. Exports of Encryption Products from 30-60 Days to 30 Minutes:** Currently, a U.S. exporter of a product with encryption capabilities (e.g., a cell phone or a network storage system) needs to file with the Department of Commerce for a technical review of the product before they can export. The review can take between 30-60 days. There are over 3,300 such filings each year. This proposed rule is intended to replace the current review-and-wait process with a more efficient one-time notification notification-and-ship process which may eliminate up to 85 percent of all the technical reviews of these products (about 2,800). The new process will continue ensure that the U.S. government still receives information it needs for its national security requirements while facilitating U.S. exports and innovation for new products and new technologies.
- **Eliminating Obstacles to Exporting to Companies Employing Dual Nationals:** Currently, U.S. exporters and foreign customers of U.S. goods have to comply with two different, conflicting sets of U.S. standards when the U.S. exports goods to customers who have employees who have dual- or third-country citizenship (e.g., a citizen of Canada born in another country). Under this reform effort, the Administration will begin to harmonize the standards between our two systems. This action should eliminate about 2,000 munitions licenses a year, and should have a dramatic impact on the compliance programs of both U.S. exporters and foreign customers, touching on at least half of the more than 85,000 munitions licenses we issue each year. By taking this action, we enhance the ability of companies to comply with U.S. government requirements and remove an obstacle to exports that not only harms our interoperability with our closest allies, but which did not sufficiently enhance our national security.